



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 475** SLS 12RS 766
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: June 4, 2012 8:10 AM	Author: DORSEY-COLOMB
Dept./Agy.: Revenue / Local Government	
Subject: Sales Tax Rebate On Admissions To Bayou Fest	Analyst: Greg Albrecht

TAX/TAXATIONEN -\$300,000 LF RV See NotePage 1 of 1

To provide for performance based tax rebates for musical or other entertainment events held in public facilities under certain conditions. (7/1/12)

Authorizes the rebate of local governmental sales taxes collected on the charges for admission and parking to musical and entertainment events in certain public facilities. The bill defines the relevant events and public facilities such that the bill appears to apply to the Bayou Country Superfest held in the LSU Tiger Stadium.

Effective July 1, 2012.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$1,500,000)
Annual Total	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$1,500,000)

EXPENDITURE EXPLANATION

The bill requires the public facility hosting the event to certify the number of admissions subject to rebate (presumably parking charges, as well). The local sales tax collector is to provide for necessary reporting requirements. Establishing these protocols will entail minor set up costs, and once established are utilized only once a year (so long as only one targeted event is eligible for the bill’s provisions). Administrative costs should be minimal.

REVENUE EXPLANATION

The bill appears to target the Bayou Country Superfest as the specific event whose promoters will receive the benefit of a rebate of the local sales taxes paid by attendees on their admission and parking charges. The event is held in May (2010, 2011, and scheduled for 2012). The bill is effective July 1, 2012 and, presumably, the upcoming event and FY12 tax receipts from it are not eligible for the rebates provided by the bill. The bill would first affect the event held in May 2013 (FY13).

Ticket prices to the event range fairly widely from \$50/day to \$250/day (May 2012 event), with most of the prices within these single day ranges doubling for a 2-day ticket. Marketing reports provided for the event in the last two years report total attendance of 87,000 in 2010 and 75,000 in 2011. Utilizing a mid-range daily admission price of \$85 and a two-year average attendance of 81,000, total admissions receipts subject to rebate are approximately \$6.9 million. Rebate of the local government 4% sales tax would be some \$275,000 (the 1% school board tax appears excluded). In addition to this amount would be sales taxes associated with parking charges (ranging from \$20/day to \$50/day in certain lots near the event). Many attendees will likely park outside the lots requiring a charge, and rebate of taxes on parking charges are likely to be small relative to the admissions rebates. It is recommended that local tax rebates provided by the bill be considered in the \$300,000 range.